

**BEFORE THE STATE OF NEW JERSEY  
BOARD OF PUBLIC UTILITIES**

<b>IN THE MATTER OF THE ELECTRIC</b>	)	<b>BPU DOCKET NO.</b>
<b>DISCOUNT AND ENERGY</b>	)	<b>EX99090676</b>
<b>COMPETITION ACT OF 1999</b>	)	
<b>CUSTOMER ACCOUNT SERVICES</b>	)	

<b>IN THE MATTER OF THE PETITION OF</b>	)	<b>BPU DOCKET NO.</b>
<b>NEW JERSEY NATURAL GAS COMPANY</b>	)	<b>GM98060394</b>
<b>FOR APPROVAL TO TRANSFER ITS</b>	)	
<b>APPLIANCE SERVICE AND REPAIR</b>	)	
<b>BUSINESS TO AN AFFILIATE AND</b>	)	
<b>APPROVAL OF CERTAIN SERVICE</b>	)	
<b>AGREEMENTS</b>	)	

**STIPULATION**

**APPEARANCES:**

Frederick W. Peters, Esq., Graham, Curtin & Sheridan and Tracey Thayer, Esq., New Jersey Natural Gas Company, Petitioner

Blossom Peretz, Esq., Ratepayer Advocate; Sarah Steindel, Esq., Deputy Ratepayer Advocate and Gregory Eisenstark, Esq., Deputy Ratepayer Advocate

Steven S. Goldenberg, Esq., Greenbaum, Rowe, Smith, Ravin, Davis & Himmel, LLP and Paul F. Forshay, Esq., Sutherland, Asbill & Brennan, LLP for Shell Energy Services Co., LLC

Murray Bevan, Esq., Courter, Kobert, Laufer & Cohen, PC and Steven Montovano for Enron Corp.

Martin C. Rothfelder, Esq., The Rothfelder Law Offices, for Mid-Atlantic Power Supply Association

## **I. BACKGROUND**

The Board initiated the Customer Account Services (“CAS”) proceeding pursuant to Section 6 of the Electric Discount and Energy Competition Act (Act) N.J.S.A. 48:3-54, which requires that the New Jersey Board of Public Utilities (“Board” or “BPU”) determine the manner, mechanics and standards by which customers may choose a supplier for some or all customer account services, which are defined as metering, billing and other account administration functions.

On October 13, 1999, the Board established the CAS Working Group for the purposes of (1) identifying the issues to be addressed and (2) proposing a course of action to resolve these issues. The Parties met in numerous sessions during the CAS Working Group process, which extended between October 1999 and February 2000, but could not reach a consensus on the services that should be competitive, the type or timing of a cost study associated with the potentially competitive services, or on the procedural schedule to determine these issues. Consequently, the Parties agreed to file position papers with Staff setting forth their Working Group positions and proposed procedural schedule to be followed to bring these matters to resolution.

Thereafter, several Parties filed position papers. At its February 16, 2000 Open Public Agenda Meeting, the Board directed the Advising Deputy Attorney General and Board Staff to meet with the Parties to develop a procedural schedule consistent with an anticipated June 9, 2000 close of the record. A prehearing conference was conducted and a procedural schedule was established.

On March 2, 2000, the Board issued an Order memorializing the above actions and set

forth a procedural schedule for a CAS proceeding. Pursuant to that schedule, intervention requests have been filed and resolved, initial and rebuttal testimony has been filed, and discovery has been exchanged between the Parties to the proceeding.

Separately, on June 26, 1998, New Jersey Natural Gas Company (“NJNG” or the “Company”) filed a Petition with the BPU pursuant to N.J.S.A. 48:3-7 to request permission to transfer its non-safety and non-emergency related natural gas appliance service functions that it currently provides as a regulated New Jersey gas utility to a yet to be formed wholly-owned subsidiary of New Jersey Resources Corporation. Upon the Board’s approval of the Petition, NJNG would no longer provide non-safety and non-emergency related appliance services. The Company has responded to discovery requests from the BPU Staff and the Division of the Ratepayer Advocate. NJNG determined to wait until the BPU issued its Final Order on Interim Affiliate Standards which the Board issued on March 15, 2000 in light of the potential impact of those standards on that Petition. Subsequently, the Parties continued to meet in an effort to reach an agreement on the issues in this proceeding.

As the result of the meetings for the two proceedings set forth above, and after consideration of the records developed in these proceedings, THE UNDERSIGNED PARTIES HEREBY AGREE AS FOLLOWS:

## **II. STIPULATION**

**WHEREAS**, the Parties agree that it may not be possible to resolve all the issues presented in the above referenced Customer Account Services and Appliance Service proceedings at this time, but that it is both reasonable and desirable for customers to receive at least some competitive

customer account and business services from third party suppliers as soon as possible and continuing through an interim period ("Interim Period");

**WHEREAS**, the Parties hereto agree that said Interim Period should commence thirty (30) days following the Board's issuance of a written Order approving this Stipulation, and end December 31, 2002, to coincide with the end of the three-year transition period established by the Board in Docket Nos. GX99030121, et al., for the unbundling of basic gas services, pursuant to the Act; and

**WHEREAS**, the Parties hereto agree to spin out NJNG's existing appliance repair and service contract operations under the terms and conditions herein and subject to the Board Order and all applicable regulations;

**WHEREFORE**, based upon and subject to the terms and conditions set forth herein, the Parties hereby stipulate and agree as follows:

**A. Consolidated Billing Options and Business Services.** During the Interim Period, NJNG agrees to provide Board-licensed third party suppliers ("TPS") with a choice of billing options and business services, as follows:

**1. Utility Consolidated Billing.** A licensed TPS can continue to elect to have NJNG render a consolidated bill for the commodity service the TPS provides and the distribution service provided by NJNG, for which service the TPS will pay NJNG's existing BPU-approved tariff charge. This current service includes response to customer inquiry, processing of payments, and collection activity. As part of this Stipulation, NJNG's consolidated billing option will also include the following business features:

- a. the bill will be printed on stock that will include both the

NJNG and TPS logos;

- b. the bill will also include space for TPS marketing information. See Attachment A for further description of the terms and conditions applicable to the utility consolidated billing option, including receivables management; and
- c. the TPS will also have the option, once per quarter, to include not more than one (1) additional one-page bill insert, to be produced at the TPS's expense, in the same billing envelope as the consolidated bill, provided the TPS will also pay for any incremental expense that may be incurred by NJNG to provide this option. See Attachment B for a further description of the terms and conditions applicable to bill insert specifications.
- d. Notwithstanding the foregoing, the Parties recognize that the treatment of the utilities' uncollectibles is subject to consideration in the Universal Service Fund ("USF") proceeding currently pending before the Board in Docket No. EX00020091. Nothing in this Settlement shall preclude or in any way prejudice the right of any party to take any position regarding the treatment of utility uncollectibles in the ongoing USF proceeding or any future USF proceeding.

2. **Separate, Non-Consolidated Billing.** A licensed TPS can elect to render its own, separate, non-consolidated bill and provide any inserts to its customers, at the TPS's own expense.

3. **TPS Consolidated Billing.** A licensed TPS can elect to render a consolidated bill and provide any of its own inserts to its customers, at the TPS's own expense. See Attachment C for further description of the terms and conditions applicable to TPS consolidated billing.

a. **Bill Inserts.** There will be no obligation on the part of the TPS to prepare N.J.A.C. or Board-mandated, safety-related bill or other administrative insert notices or directives. NJNG will instead retain its existing responsibility to prepare and mail all such mandated bill inserts and directives to customers independent from the TPS's bill;

b. **Customer Billing Credit and Additional Incentive.** In order to encourage the development of a competitive market for billing services, NJNG's previous Board-approved customer bill credit of \$0.14 per customer per month will be increased to \$0.30 per customer per month for customers being served under TPS consolidated billing. That amount will be supplemented for residential transportation ("RT") and small commercial rebundled ("SCR") customers by an additional credit of \$0.70 per customer per month, resulting in a total after tax bill credit of \$1.00 per customer per month for such customers. In the event NJNG elects in the future to transfer the responsibility to fulfill all applicable N.J.A.C. and Board-mandated notices and directives concerning the utility customer bill information and format, and other regulatorily-mandated delivery service related information, from NJNG to TPSs, the consolidated bill credit will be \$0.40 per customer per month. That amount will be supplemented by an additional credit of \$0.60

per customer per month for RT and SCR customers, resulting in a total after-tax bill credit for those customers of \$1.00 per customer per month. In fulfilling their obligation to provide mandated notices and directives, TPSs shall not be required to include marketing materials relative to either NJNG or its affiliate.

c. **Source of Funding.** The incremental residential and small commercial bill credit of \$0.70 per month (or \$0.60 per month if NJNG elects to transfer to the TPSs the responsibility of providing customers with all required notices) will be funded through the Interim Period through the Market Development Fund ("MDF") established in the natural gas rate unbundling Stipulation for NJNG, BPU Docket Nos. GX99030121 and GO99030123.

B. **Internet Sign-Up.** NJNG will cooperate with the Ratepayer Advocate, the Board Staff and other interested Parties to develop applicable terms and conditions, as needed, to implement a program by which TPS customers could be enrolled over the Internet. The terms and conditions of such access will be submitted to the Board for its approval as soon as reasonably possible, but no later than July 31, 2000, unless the Parties hereto mutually agree to extend such date. Nothing herein shall foreclose NJNG from seeking to recover costs associated with implementing Internet enrollment in a future proceeding.

C. **Additional CAS Procedural Timetable and Upgraded Access to Meter Data.** The Parties agree and recommend that all issues related to competitive CAS functions, as well as any unbundling of CAS costs, will be addressed according to the following time table:

The undersigned Parties recommend the establishment of a Technical Implementation Task Force chaired by Commissioner Frederick F. Butler, or his designee, to include a representative from each utility, union representatives, Board Staff, the Division of

the Ratepayer Advocate (“RPA”), marketers, trade organizations and any other party that wishes to participate. It is the expectation of the undersigned Parties that the Task Force will be in place at least through July 31, 2003. It is the intention of the undersigned Parties to utilize this Task Force to identify and resolve Competitive Customer Account implementation issues through negotiation.

In order to develop a basis to support determinations by the Board with regard to additional CAS which should be deemed competitive and their implementation, the Parties hereto agree to meet, as of no later than August 1, 2001 to consider the following issues:

1. Applicable bill credit for TPS consolidated billing after the Interim Period and the applicable funding sources, if necessary;
2. Other competitive billing functions, including additional bill inquiry, bill calculation, payment posting and appropriate bill credits associated therewith;
3. Competitive metering services, including meter ownership, meter maintenance, meter reading and meter data management and appropriate bill credits associated with the current meter technology and advanced meter technology;
4. All other competitive CAS, appropriate bill credits associated therewith and fees associated with consolidated billing;
5. All regulations, tariffs, utility-supplier agreements, business rules and information exchange protocols necessary to permit customers to choose a supplier for such additional CAS; and



6. The respective roles of the BPU, Ratepayer Advocate, LDCs, TPSs and customers with respect to CAS in the post-transition period.

The Parties shall negotiate in good faith to resolve all such issues on or before December 15, 2001. The undersigned Parties further agree that if they are unsuccessful in resolving any and all issues relevant to the issues listed in this paragraph, and if the Board does not issue an Order that resolves such issues on or before January 1, 2002 NJNG shall immediately request the Board to (i) commence a proceeding to determine issues related to customers choosing a supplier for any natural gas metering services and/or all remaining CAS, consistent with Section 6b of The Act; and (ii) adopt a procedural schedule that will permit the Board to issue an order on or before January 1, 2003 with the goal of thereafter fully implementing customer choice by August 1, 2003 for any additional CAS which the Board determines are competitive. The referenced CAS proceeding shall commence with NJNG's filing complete embedded and avoided CAS cost studies as provided in paragraph II.A.8 of the natural gas unbundling Stipulation for NJNG, BPU Docket Nos. GX99030121 and GO99030123. The Parties agree that, subsequent to the issuance of the above referenced Board Order, the Parties will use their best efforts to ensure that appropriate, additional CAS customer choice is fully implemented by August 1, 2003.

In the interim, NJNG shall provide all Board-licensed TPSs with upgraded access to available customer usage data, for commercial and industrial customers, on mutually-agreeable fees, terms and conditions, within sixty (60) days of the Board's approval of this Stipulation; provided, however, that nothing in this Stipulation shall require NJNG to install new metering facilities or associated equipment to provide such upgraded usage data.

**D. Residential Low-Income Aggregation Pilot Program.** As contemplated in paragraph II.A.15 of the natural gas rate unbundling Stipulation for NJNG, BPU Docket Nos.

GX99030121 and GO99030123, NJNG will sponsor a residential low income pilot program, under which eligible customers would be able to voluntarily participate in an aggregated Basic Gas Supply Service (“BGSS”) pool with the expectation that such customers could thereby receive BGSS from licensed TPSs bidding to provide such service. NJNG will identify through both internal sources and external agencies, residential low-income customers who should be solicited for the program. Such customers will thereafter be contacted by NJNG directly through written correspondence. Within thirty (30) days of the Board’s written Order approving this Stipulation, NJNG will meet with the Ratepayer Advocate and other interested Parties to discuss the implementation of such a pilot program.

The Parties recognize that issues relating to residential low income aggregation pilot program are subject to consideration in the USF proceedings currently pending before the Board in Docket No. EX00020091, and that this Stipulation may be subject to the Board’s determination in that proceeding.

**E. Interested Customer Response Card.** NJNG, in consultation with interested licensed TPSs, registered aggregators, the League of Municipalities, and the Ratepayer Advocate, will prepare and mail a customer information card as a one time bill insert to customers to assist TPSs in locating and marketing to customers interested in receiving competitive offers from licensed TPSs, registered private aggregators and government aggregators, subject to the following:

1. The insert shall include a generic response card for customers to complete if they wish to be contacted by licensed TPSs, registered private aggregators and government entities interested in pursuing aggregation.

2. Upon receipt of customer responses, NJNG will manage the data collection and collation process.
3. For a mutually agreed-upon fee designed to recover associated costs, and assuming reasonable participation levels by licensed TPSs and registered aggregators, NJNG will disseminate a list which includes an interested customer's name, address, telephone number, account number, rate class and average monthly usage to interested Board licensed TPSs and registered private aggregators who agree to utilize such customer information solely for the purpose of marketing natural gas and related services to customers in New Jersey. This list will be provided at no fee to government entities interested in pursuing aggregation. Revenues from these fees will be recorded as an offset to the costs recoverable under this Stipulation pursuant to Section F.

**F. Implementation Costs.** The Parties stipulate and agree that NJNG may petition for recovery of any incremental costs reasonably and prudently incurred by NJNG in connection with initiating and executing the following elements of this Stipulation: the billing services under Section II.A.1, the low-income residential customer aggregation pilot program under Section II.D, and the interested customer response card under Section II.E, to the extent such costs are not otherwise recovered from TPSs. Any such costs approved for recovery by the Board shall be recovered by NJNG through its existing, Board-approved Transportation Initiation Clause ("TIC"). Any cost incurred in relation to upgraded access to meter data under Section II.C shall be recovered through the MDF.

**G. Additional Competitive Services.** The Parties stipulate and agree that in order to further the separation of competitive services from the utility, NJNG will spin out its appliance repair and service contract operations, which are currently provided by NJNG as Board-authorized and Board-regulated utility functions, to an unregulated affiliate of NJNG by December 31, 2000. The referenced spin out will be subject to all applicable regulations and such terms and conditions as the Board may determine are necessary to effectuate the transfer of operations to NJNG's affiliate. In connection therewith, all ongoing operations of the appliance repair and service contract operations will be subject to all applicable Board standards and regulations that apply to affiliates engaged in retail operations and shall in all other aspects comply with the Board's March 15, 2000 Order in Docket No. EX99030182. Affiliates shall be treated in the same manner as non-affiliated competitive suppliers with regard to the provision of CAS, pursuant to this Agreement. In addition, NJNG shall in all aspects comply with the Board's March 15, 2000 Order in Docket No. EX99030182.

All vehicles, tools and existing inventory of parts, as well as the employees related to the services offered, will be transferred to the new affiliate. The value of the vehicles, tools and existing inventory of parts related to the services will be calculated and the transfer will be recorded on the books of NJNG and the new affiliate at the higher of market or net book value.

The new affiliate will have its own telephone numbers, Customer Service Representatives will not refer NJNG customers to the affiliate and there will be no incentive programs rewarding NJNG employees for referring customers to the affiliate. No sales calls shall be made by NJNG employees on behalf of the affiliate, all advertising for the affiliate will be done by the affiliate and there shall be no joint, cross or overlapping advertising. All computer systems

shall contain the necessary security to prevent access by the affiliate to confidential, or utility specific information, and all marketing leads will be purchased by the affiliate in the open market.

The pre-tax margins generated through such existing services<sup>1</sup> shall be allocated as follows and credited by NJNG to its Societal Benefits Charge (“SBC”): forty (40) percent of margins generated during the first year, which shall be the fiscal year ending September 30, 2000; fifteen (15) percent for the second year; and ten (10) percent for the third year.

**H. Final Resolution.** This Stipulation constitutes a final resolution of the issues arising out of Docket No. EX99090676 that directly involve NJNG, subject to the further proceedings contemplated herein, and resolves all issues in Docket No. GM98060394. Pending the Board’s final written approval of this Stipulation, the Parties hereto agree that their right to litigate the issues in Docket No. EX99090676 that directly involve NJNG and Docket No. GM98060394 to conclusion, including cross-examination of the witnesses sponsoring pre-filed written testimonies, shall be held in abeyance subject to the approval of the designated commissioner hearing this proceeding. Upon approval of this Stipulation by the BPU, without modification or condition, Docket No. EX99090676 with regard to issues that directly involve NJNG and all aspects of Docket No. GM98060394 shall be closed.

**I. Reservation of Rights.** Other than as set forth herein, all Parties reserve all their rights with respect to any substantive positions they may choose to assert in any future proceeding before the BPU concerning the unbundling of NJNG's customer account services.

**J. Entirety of Stipulation.** This Stipulation is intended to be accepted and approved in its entirety. In the event any particular aspect of this Stipulation is not accepted and approved in

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<sup>1</sup> These existing services include service contracts for heat and hot water, chargeable appliance repair and the newly-approved service contracts for air conditioning service.

its entirety by the Board, then any Party aggrieved thereby shall not be bound to proceed with this Stipulation and shall have the right to litigate all issues addressed herein to a conclusion. More particularly, in the event this Stipulation is not adopted in its entirety by the Board in its Order in this matter, then any Party hereto is free to pursue its then available legal remedies with respect to all issues addressed in this Stipulation, as though this Stipulation had not been signed.

**K. Binding Effect.** It is the intent of the Parties that the provisions hereof be approved by the Board as being in the public interest. The Parties further agree that they consider this Stipulation to be binding on them for all purposes herein.

**L. General Reservation.** It is specifically understood and agreed that this Stipulation represents a negotiated agreement, and has been made exclusively for the purpose of resolving these proceedings as they relate to NJNG. Except as expressly provided for herein, neither NJNG, the Ratepayer Advocate, any other Party hereto, or the Board shall be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposed to underlie any agreement provided herein. Except as specifically provided herein, this Stipulation is executed without prejudice to the positions of the Parties and is not intended in any way to restrict or bind any party with respect to any substantive positions they may choose to assert in any pending or future proceeding before this Board or in any other forum or jurisdiction. Accordingly, by executing this Stipulation, no party waives any rights it possesses under any prior Stipulation, except as specifically provided therein or herein. Further, this Stipulation is executed without prejudice to the positions of the Parties in this proceeding as they may relate to utilities other than NJNG.

**WHEREFORE**, the Parties hereto do respectfully request the Board of Public Utilities to issue a Decision and Order approving this Stipulation in its entirety in accordance with the terms hereof.

**NEW JERSEY NATURAL GAS COMPANY**

By: \_\_\_\_\_ signed \_\_\_\_\_  
TRACEY THAYER, ESQ.

**DIVISION OF THE RATEPAYER ADVOCATE**

By: \_\_\_\_\_ signed \_\_\_\_\_  
BLOSSOM A. PERETZ, ESQ.  
RATEPAYER ADVOCATE

**ENRON CORP.**

By: \_\_\_\_\_ signed \_\_\_\_\_  
MURRAY BEVAN, ESQ.  
Courter, Kobert, Laufer & Cohen, PC

**SHELL ENERGY SERVICES CO., LLC**

By: \_\_\_\_\_ signed \_\_\_\_\_  
STEVEN S. GOLDENBERG, ESQ.  
Greenbaum, Rowe, Smith, Ravin,  
Davis & Himmel, LLP

**MID-ATLANTIC POWER SUPPLY ASSOCIATION**

By: \_\_\_\_\_  
MARTIN C. ROTHFELDER, ESQ.  
The Rothfelder Law Offices

**DATE:** July 6, 2000

## ATTACHMENT A

### **UTILITY CONSOLIDATED BILL**

NJNG will continue to offer a utility consolidated bill pursuant to the existing BPU-approved tariff. In addition, the Company will offer the following features:

#### I. Bill Messages

##### **A. Specific Bill Message**

- Supplier name and telephone number
- Dollar and percentage savings
- Available: Upon receipt of written BPU Order in this case

##### **B. Two additional lines available:**

Generic message to each of the TPS's customers

Available: Within 45 days of the written BPU Order in this case

#### II. Logos

##### **A. Bill Stock**

TPS's logo and NJNG's logo would be included in the upper left portion of the bill.

Available: Within 45 days of the written BPU order in this case. Interested suppliers should contact NJNG immediately after BPU approval to coordinate the printing of the dual logo stock to meet this deadline.

#### III. Bill Inserts to the Supplier's customer base

##### **A. Bill inserts**

One-page insert permitted once per quarter

Available: Within 45 days after the BPU order in this case. See Attachment B for description of terms and conditions for accepting bill inserts.

No incremental postage for a one-page insert will be charged to either TPSs or to NJNG's customers. However, if a TPS seeks to include an insert that is more than one page and NJNG is able to accommodate that request, all



incremental postage and other expenses will be paid by the TPS.

## ATTACHMENT A

### IV. Purchase of Receivables

- As each customer's account is calculated, the amount of the supplier commodity charges is calculated on a customer by customer basis.
- Unless otherwise agreed to by NJNG and supplier, NJNG summarizes all individual supplier commodity charges twice a month.
- For the purchase of the receivable, this total of all supplier charges will not be discounted for bad debts, assuming there is no change in the treatment or level of uncollectibles which NJNG currently recovers through its rates. The Parties recognize that the treatment of uncollectibles is subject to consideration in the Universal Service Fund ("USF") proceeding currently pending before the Board in Docket No. EX00020091.
- NJNG remits payment to the supplier for the purchase of the receivable twice a month, approximately fifteen days after the end of the summarized cycles, unless otherwise agreed to by the supplier and NJNG.
- In order to preserve a clear audit trail, the payment stream to the supplier is generally kept distinct from the billing for MBR tariff charges. Should the supplier become delinquent in the payment of their MBR charges, the delinquency will be deducted from a future payment for the purchase of receivables.

### V. Additional Services Included

As part of the consolidated billing service, NJNG will provide the following:

- Response to customer inquiry (except questions specifically pertaining to the supplier's offer)
- Processing of customer payments
- Collections

## ATTACHMENT B

### **New Jersey Natural Gas Bill Insert Specifications**

- Supplier mailings under this option would be handled as totally separate bill mailings for each supplier - not included with the regular NJNG bill cycle runs. NJNG would essentially be a mail fulfillment center. NJNG would also include its regular monthly inserts & BPU mandated messages.
- NJNG benefits from a discounted postal bulk mail rate for the total number of bills we send per municipality. Reducing the bulk number could result in NJNG losing a discount for all items mailed, depending on how many bills are processed under this option. Suppliers using this option would have to make NJNG whole in terms of billing postage costs.
- Total weight restriction is less than an ounce for the bill/return envelope & inserts. Anything over this for a supplier's mailing would incur postage costs.
- NJNG's insert coordinator must be notified in writing 10 business days before mailing begins with details on the next month's mailing.

#### **INSERT PHYSICAL SPECIFICATIONS**

- Limited to one page
- 8 ½ " X 3½ " measurement / 60lb text (no heavier or lighter paper weight accepted)
- No glossy paper.
- No "Z" or Accordion folds.
- No cut outs, stickers or labels.
- Any responses to inserts that are BRM (business reply mail) must return to the supplier's address.
- Any folds must be on width edge and must be crisp.
- Insert must have supplier logo prominently placed.
- Insert must have date of use imprinted; usually lower right on front or back of insert. Information should be codes with month/year (e.g. 11/00).
- Insert must be bundled with each piece facing same direction.
- Insert must be placed flat in cartons.
- Sample of insert must be placed on exterior of carton.

- A 10% additional volume must be added to the supplier's insert count for damage.

## ATTACHMENT B

### **DELIVERY**

- Delivery must be between Monday and Fridays 8:00a.m. - 4:30p.m. (delivery will not be accepted on holidays)
- Inserts must be in-house 5 business days prior to use.
- If skids are necessary, the size is 36" x 36"
- Cover letter containing: supplier contact name, title and daytime phone number; instructions; quantity & use of insert.

## ATTACHMENT C

### ***New Jersey Natural Gas*** **TPS Consolidated Billing Option**

**NOTE:** NJNG has offered this option to suppliers since 1995.

#### **NJNG Billing to Supplier**

- NJNG calculates the respective transportation charges on an individual account/meter basis.
- On a monthly basis NJNG provides the supplier with the detail billing information for each of their customers and also provides a summary sheet which captures the aggregate total for each billing component (e.g. total for customer charges, demand charges, delivery charges, adjustments, etc.).
- This information is provided through either a hard copy or an electronic flat file.
- Payment terms are consistent with N.J.A.C. regulations for commercial customers. Payment is due within 10 days and finance charges are assessed on overdue balances.

#### **Interaction with Customers**

- NJNG will send all required and relevant bill inserts. Suppliers will not be required to send mandated bill inserts or to accept the associated liability, except as discussed on page 2 of this Attachment.
- NJNG continues to respond to inquiries regarding meter reading, how transportation charges were calculated, and basic information regarding the unbundled service offerings, in addition to inquiries related to the other distribution company functions (e.g. leak calls, turn-ons, turn offs, etc.)
- Since NJNG no longer maintains a direct accounts receivable relationship with the customer being billed by the TPS, NJNG requires customers to be current on their account in order to migrate to a transportation service under a TPS consolidated billing basis.

#### **Bill Credit with NJNG retaining responsibility for mandated inserts**

- The rate unbundling settlement approved an annual unbundled bill credit of \$1.76 per customer. For settlement purposes, NJNG is willing to increase this credit to \$.30 per customer

per month for an annual bill credit of \$3.60 (inclusive of sales tax).

- Residential Transport (RT) and Small Commercial Rebundled (SCR) customers being served on TPS consolidated billing will receive an additional credit of \$.70 per customer per month bringing their total credit to a \$1.00 per customer per month (inclusive of sales tax) for an annual bill credit of \$12.00. This additional credit will be funded through the Market Development Fund.

## ATTACHMENT C

Bill Credit if NJNG elects to transfer responsibility for mandated inserts to suppliers.

- The rate unbundling settlement from Docket Nos. GX99030121 and G099030123 approved an annual unbundled bill credit of \$1.76 per customer. For settlement purposes in the Customer Account Services proceeding, NJNG is willing to increase this credit to \$.40 per customer per month for an annual bill credit of \$4.80 (inclusive of sales tax) if NJNG transfers to the TPS the responsibility for providing all BPU mandated bill inserts to the customers receiving TPS consolidated billing.
- Residential Transport (RT) and Small Commercial Rebundled (SCR) customers being served on TPS consolidated billing will receive an additional credit of \$.60 per customer per month bringing their total credit to a \$1.00 per customer per month (inclusive of sales tax) for an annual bill credit of \$12.00. This additional credit will be funded through the Market Development Fund.

